

# RISING POVERTY INDEX

Only 6% of Nigerians benefited from Social Welfare Programs of Nigeria's Government— NBS



Sadiya Umar Farouq

added that this explains the disconnect between the government's numerous interventions and empirical evidence on key development metrics such as poverty, and unemployment.

According to the NBS, social transfers or external economic support are predictable direct transfers to individuals or households, both in-kind and cash (including cash for work and public work programs) to protect and prevent individuals and households from being affected by shock and support the accumulation of human, productive and financial assets and includes various social protection schemes.

**A**mid several social support programmes aimed at reducing poverty and driving inclusion, only 6.1 percent of Nigerian households are aware and have received such interventions, according to a 2022 Multiple Indicator Cluster Survey (MICS). The survey carried out in 2021 by the National Bureau of Statistics (NBS) as part of the Global MICS Programme shows that out of a total of 39,632 households that were interviewed, only 6.1 percent of them (2, 418) are aware and have received external economic support or social transfers. This indicates that about 94 percent of households (37,214) have not received any form of social transfer. A breakdown of the survey shows that Ogun (2.1 percent), Benue (2.7 percent), Lagos (3.2 percent), Oyo (3.2 percent and Osun (3.3 percent) were the least states aware and have received external economic support or social transfers, while Jigawa, Yobe, Akwa Ibom, Ebonyi and Katsina with 14.4 percent, 14. 1 percent, 13.5 percent, 12.3 percent and 10.9 percent respectively had the highest. "Most times, government interventions or programs are not well-targeted. Although they might have designed and implemented several programs, however, these programs do not reach the people directly in need of them," Damilola Adewale, a Lagos-based economic analyst, said. He said there is also the issue of transparency in the selection process for program beneficiaries. "This process is marred with corruption, and explains why the programs have little or no impact on the most vulnerable segment of the society." Adewale

Since President Muhammadu Buhari assumed power in 2015, it has come up with many social welfare intervention programs under the National Social Investment Programme. Some of the programs in Nigeria are N-power conditional cash transfer, household uplifting programme, "BETA DON COME", retirement pension, trader moni, farmer Moni, Survival Fund, Anchor Borrower, health insurance cards, or any other types of ad-hoc support, excluding transfers or assistance from family members, relatives or neighbours. Many of the government-led intervention programs do not cater to the majority of the poor and vulnerable Nigerians due to weak social infrastructure, limited funding and manpower requirements, analysts at FSDH Research said in a recent report. "Some government agencies work in silos and there are often limited partnerships between the federal and state governments in designing and implementing social programs," they said. The absence of functioning and inclusive social assistance programs, especially for the most vulnerable individuals in society has made Africa's biggest economy vulnerable to the economic impacts of the pandemic.

In 2020, the economy slid into its second recession in five years amid the COVID-19 crisis and the Saudi Arabia-Russia oil war, which led to a sharp drop in oil prices. The World Bank said in its 'Nigeria Poverty Assessment 2022'



report that many non-poor Nigerians "are only one small shock away from falling into poverty," while those already poor could be pushed into even deeper deprivation. It said the COVID-19 crisis drove up the country's poverty rate, pushing more than five million additional people into poverty by 2022. Last year, the NBS put the number of Nigerians living in multidimensional poverty at 133 million, compared to 82.9 million considered poor in 2019 by national standards. Ayodele Akinwunm of FSDH Merchant Bank said when the number of unemployed and poor people is rising, it will be difficult for the government to include them in the social safety nets. "We need to ensure that we have the right and adequate investment environment for people to go back to their businesses and jobs. So that the social security programs will now augment the programs of the actual investments that we have on the ground," he said. Buhari had said in June 2019 that his government could lift 100 million Nigerians out of poverty in 10 years. "For the next four years, we will remain committed to improving the lives of people by consolidating efforts to address these key issues as well as emerging challenges of climate change, resettling displaced communities and dealing decisively with the new flashes of insecurity across the country, and the impacts on food scarcity and regional stability," he said during the inaugural June 12 Democracy Day celebration.

In 2020, the Federal Ministry of Humanitarian Affairs, Disaster Management, and Social Development said its Conditional Cash Transfer program pays N5,000 a month to 1.6 million Nigerian households in 2020. It said 98 percent of all beneficiaries are women, on behalf of their families and households. The president inaugurated the National Steering Committee of the National Poverty Reduction with Growth Strategy in 2021, reiterating his

commitment to lift 100 million Nigerians out of poverty in 10 years. Already, he claimed that his administration has successfully lifted 10.5 million Nigerians out of poverty in the last two years. Sadiya Farouq, Minister of Humanitarian Affairs, Disaster Management and Social Development, said in 2021 that the Federal Government spent over five billion dollars since 2016 to fight poverty in the country.

According to the World Bank, Nigeria's total spending on social assistance programs is 0.28 percent of GDP and covers only seven percent of the population. This is low compared with South Africa (3.31 percent), Benin (2.95 percent), Rwanda (1.5 percent) and Ghana (0.58 percent). It said Africa's most populous nation needs almost \$18.7 billion annually to reduce its rising poverty levels. "The poverty gap index for Nigeria is 0.129, so vast resources are required to eliminate poverty in the country, especially in rural areas. Multiplying the poverty gap index by the poverty line and by Nigeria's population shows that eliminating poverty would take almost N3.7 trillion per year (or \$18.7 billion)," it said. Analysts of FSDH added that Nigeria needs to develop and implement a comprehensive National Social Inclusion Strategy (NSIS) that prioritizes the social welfare of its citizens. "An inclusion strategy will ensure all social interventions are aligned with the broader developmental goal of lifting 100 million Nigerians out of poverty in the medium term. "A good starting point for the development of the NSIS is the revised National Social Protection Policy which represents the policy framework for social interventions in the country," it said.